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WEEKLY REPORT



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THE SITUATION IN SOUTH VIETNAM

11 August 1965

INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE

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THE SITUATION IN SOUTH VIETNAM
(5 August - 11 August 1965)

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(The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR; it is edited and published by CIA without final coordination. A fully coordinated Monthly report is disseminated on the first Friday of every month.)

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THE WEEK IN PERSPECTIVE

The two-day meeting on 4-5 August of the ruling military Directory, and Premier Ky's subsequent press conference to announce the results of the meeting, dominated last week's political scene in Saigon. Contrary to advance speculation, there was no indication that the Directory had expressed dissatisfaction with Ky's performance. Some of the decisions emanating from the meeting--particularly those projecting the possible punishment of once powerful officers now "exiled" abroad or in disfavor at home--did little to dispel rumors of continuing political rivalry.

These rumors appear to have been abetted by suspicions among disparate Vietnamese political and religious circles that the return of Ambassador Lodge presages some new US political move, and that Premier Ky's mid-August mission in Taiwan and Thailand--about which few details have been provided--was deliberately timed to avoid Lodge's arrival. Ky's extemporaneous remarks at his press conference concerning the proper limits of friendship with foreign countries further served to fan such speculation. While reports from various Vietnamese sources have indicated increasingly open political maneuvering by General Thi, I Corps commander, particularly among antigovernment Buddhists in Hue, there continues to be no firm evidence of an early move against Ky.

With the exception of the current action at Duc Co, the relative lull since mid-July in Viet Cong battalion-size or larger commitments has continued. Small-scale Viet Cong activity in the area around Saigon and in the delta provinces has intensified.

The current Viet Cong modus operandi generally conforms to a typical revolutionary warfare pattern. In the face of increasing US forces, and having sustained many casualties so far during their monsoon campaign, the Viet Cong probably have found it necessary to regroup, replace, and re-equip, and at the same time probe and assess the changing situation. For example, Viet Cong

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efforts to test and evaluate US reactions have been evident at Da Nang, Chu Lai, and Bien Hoa. Meanwhile, the Viet Cong can maintain a hold on the country by continuing interdiction, sabotage, terrorism, propaganda, and harassing small-scale attacks, and withhold attacks in battalion strength or larger until exploitable opportunities are developed or presented.

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I. THE SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. The political scene was dominated during the past week by a two-day meeting on 4-5 August of the ruling military Directory, and by Premier Ky's press conference of 7 August reporting on the meeting. The meeting had generated advance speculation that Premier Ky might be removed from office, but there is no evidence that Ky came under any serious criticism. The Premier's press conference, however, did little to dispel rumors of maneuvering in high circles, and suggested that the situation has been aggravated by Vietnamese suspicions of possible US political moves following the arrival of Ambassador Lodge.

2. In his press conference, Premier Ky presented, as he reportedly had done earlier to the Directory, a summary of the plans and accomplishments of his government during its first six weeks in office. According to the US Embassy, Ky provided no surprises and was relatively sanguine.

3. Among the decisions of the Directory announced at the press conference were the establishment of a special tribunal to examine the cases of prisoners who have been held for extended periods without trial (chiefly former members of the Diem regime); approval of the creation of an industrial complex at Cam Ranh Bay; an overhaul of South Vietnam's diplomatic missions; and the prospective investigation of various senior officers formerly in high positions but now in disfavor. It was announced that former strongman General Khanh is to be stripped of military rank and diplomatic privileges and recalled to face charges of financial irregularities. A similar recall of former I Corps commander General Do Cao Tri, was also announced, as was a possible investigation of certain officers still in Vietnam, the retirement of former Saigon-area commander General Pham Van Dong, the recall of General Thai Quang Hoang from the position of ambassador to Thailand because of activities "contrary to" government interests, and the relief of the chief of Khanh Hoa Province for financial

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speculation. General Tran Ngoc Tam was relieved as commander of the Regional and Popular Forces and placed in charge of the new "home guard" with the title of Deputy Chief of the Joint General Staff.

4. The Directory also decided, according to accounts of the meeting, to appoint National Police Director Pham Van Lieu to the additional position of director of the Central Intelligence Organization. This development should result in improved coordination between the two services on intelligence targeting and information concerning the Viet Cong. On the other hand, this appointment may weaken Ky since Lieu is alleged to be a henchman of General Thi, the ambitious commander of I Corps, and also a member of another group aspiring to eventual government control.

5. The Directory reportedly also agreed to a short period of house arrest and probation for Admiral Chung Tan Cang, former naval commander who was ousted under the Quat government for alleged financial manipulations. No results have ever been announced from a military inquiry into the charges against Cang, and he has recently been appointed to a key post on the Directory's secretariat.

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[REDACTED] has also reported that the Directory's informal discussions were critical of the performance of Foreign Affairs Minister Tran Van Do, although no decision to remove him was taken. Do is one of the few experienced, older politicians in the government, and it is possible that the military desire a younger and more pliable minister in the foreign affairs post.

6. Premier Ky commented in his press conference on his forthcoming trip to Taiwan and Thailand, scheduled to begin on 15 or 16 August. He reported that he would be accompanied on this mission by Foreign Minister Do, Defense Minister General Nguyen Huu Co, and III Corps commander General Cao Van Vien, among others. Queried about the purposes of his trip, which Saigon evidently instigated and about which minimal details have been provided, Ky generally hedged but did not rule out the eventual possibility of a request for Chinese Nationalist troops or of an Asian anti-Communist defense pact.

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7. In response to a reporter's probing about the timing of Ky's trip to coincide with the probable arrival of Ambassador Lodge, Ky snapped that he saw "no relationship between the arrival of an ambassador and the departure on a state visit of a head of government." He then launched into an obvious comment on South Vietnamese-US relations, declaring that ties of friendship should not be permitted to become shackles of bondage. In response to another question about reports of a Vietnamese Communist military headquarters in Cambodia, Ky claimed that South Vietnam had long been "passive" concerning Viet Cong safe-areas outside the country, but reserved the right to attack such bases in any neighboring country.

8. Although Ky, in his conversations with US officials, has given no indication that his projected trip is influenced by Lodge's impending arrival, it remains possible that much of the recent flurry of political decisions was intended to take advantage of the interim between US ambassadors. Regardless of whether or not rumors current in Saigon are seriously credited in government circles, various Vietnamese claim to have learned that Lodge's appointment reflects a US desire for a change in the Saigon government, either for a return to civilian rule, a pro-Buddhist government, a pro-Catholic government, or a negotiated settlement of the war, depending upon the group in which the rumors circulate. The Viet Cong may be deliberately fostering some of this unease.

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9. [REDACTED]

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that he expected a move by General Thi to grab power before Lodge's arrival. [REDACTED] claimed that Premier Ky was aware of Thi's intentions and since Ky had lost support in the Directory, had deliberately planned his trip to Taipei and Bangkok so that he would be out of Saigon when Thi's move occurred.

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[REDACTED] claimed that a government under Thi would be supported by Thich Tri Quang and the Buddhists in Hue, and might be amenable to negotiating with the Viet Cong for a withdrawal of US troops and the neutralization of South Vietnam.

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10. There has been no evidence that Thi is actively preparing an early takeover. However, he apparently prevailed upon the Directory not to include him, as originally scheduled, in the party accompanying Premier Ky to Taiwan and Thailand. Moreover, various sources have indicated that Thi is increasingly frank about his own ambitions. According to one Vietnamese general, political agitators have been openly soliciting support for Thi among Buddhists in Hue. There has also been no indication that Tri Quang, despite his dislike of the military regime in Saigon, is actively planning any moves, and he has often expressed reservations about General Thi. However, in recently describing Thi to a US observer as "too ambitious," Quang made a somewhat cryptic remark that circumstances sometimes require "incompatible groups" to accept each other for the sake of convenience.

11. In another apparent reflection of current Saigon rumors, recently removed National Bank governor Nguyen Xuan Oanh told Deputy Ambassador Johnson on 8 August that he feared Premier Ky was about to exile him to the highlands because of rumors that Oanh might replace Ky. Although the extent of any threat of Oanh is undetermined, there have long been rumors that the new government desired to place former politicians under surveillance outside of Saigon.

Economic Situation

12. The GVN, with USOM encouragement and assistance, is planning firm action to break the long-standing freight monopoly on coastal shipping. At a meeting on 9 August, the GVN decided to request USOM assistance in the chartering of eight additional coastal ships for a two-month period in order to break the current backlog in demand for shipping space. USOM is also planning to finance additional temporary charters. This action, combined with the transfer of control of seven GVN coastal ships from the navy to National Railway authorities, should succeed in relieving the current tie-up of goods in Saigon and have a favorable effect on commodity prices in central Vietnam.

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13. The seven coastal ships, which were confiscated by the GVN in 1963 after the downfall of Diem, were transferred to the control of the National Railway authorities from the navy under a decree of 4 August. This action was prompted by the scandals of several months ago when high GVN officials, including Admiral Cang, were implicated in the thriving black market for cargo space. As the VC disruption of rail and road transportation increased, the demand for coastal shipping outstripped the available capacity. Current capacity is 17,000 tons per month as opposed to the estimated 54,000-ton requirement, and black market prices for cargo space are reportedly ten times the official tariff of \$6 per ton. Even with last month's charter of eight vessels to be put into service in late August, the deficit will still be about 10,000 tons per month.

14. While the GVN had apparently set July charter rates intentionally low in order to maintain the freight monopoly, their latest action seeking USOM assistance for additional charters amounts to a significant change in policy. With the additional charters, which USOM will finance and on which space will be sold on a free-market basis, the current backlog of goods should be eliminated, and the price for shipping space should be substantially reduced.

15. The Saigon Mission Weekly (Embtel 427 of 10 August) provides an excellent review of this and other aspects of the economic situation.

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B. MILITARY SITUATION

1. Increased friendly activity during the week centered around a major action in Pleiku Province, II Corps Tactical Zone (CTZ), against a suspected Viet Cong main force or PAVN battalion. An operation to relieve the pressure on the besieged Special Forces camp at Duc Co was initiated on 3 August by the 2nd Task Force of the Airborne Brigade. Successive attacks against a series of strongly defended, well concealed, intricate Viet Cong positions resulted in 67 Viet Cong killed. (Press reports claim that 219 Viet Cong dead have been counted.) The 63 close air support sorties used 1,000-pound bombs in an attempt to dislodge the Viet Cong and allow the ground force to penetrate their jungle fortresses. Initial friendly casualties were 11 killed, 71 wounded, and one missing. The sustained Viet Cong pressure on Duc Co, the last remaining outpost in this Viet Cong-controlled area, prompted a decision to continue this action.

Although overall Viet Cong-initiated activity increased only slightly, the number of small-scale attacks and ambushes rose sharply. Major contact with regular ARVN forces was generally avoided, but the Viet Cong continued widespread harassing fire on lightly defended, isolated outposts and district towns in all four CTZ. The most significant attack occurred on 5 August when the Esso POL storage facility near Da Nang was attacked and extensively damaged. The Hop Tac area west and southwest of Saigon was again subjected to heavy pressure. The Viet Cong apparently are making a determined effort to roll back the many small RF/PF outposts in the area, and to force support of their cause through terrorist acts. Outposts and district towns in Chuong Thien Province, IV CTZ, were particularly hard hit.

All lines of communication remain largely interdicted. National Route 1 is still closed between Quang Ngai city and Nha Trang. Route 19 has been reported interdicted in numerous places between the coast and Pleiku city. Routes 7, 14, and 21 are closed in the highlands; however, Route 20 is open from Saigon to Dalat and from Dalat to Phan Rang.

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Route 15 is closed between Bien Hoa and Vung Tau because of a destroyed bridge. Interprovincial Route 1 is impassable between Thu Dau Mot, Binh Duong Province, and Dong Xoai, Phuoc Long Province. Three secondary roads are out in IV CTZ because of sabotage: Interprovincial Route 14 between Vinh Long, Vinh Long Province, and Phu Vinh, Vinh Binh Province; Interprovincial Route 8 between Rach Gia, Kien Giang Province, and Long Xuyen, An Giang Province; and Interprovincial Route 41 between Can Tho, Phong Dinh Province, and Vi Thanh, Chuong Thien Province. The railroad was opened between Saigon and Xuan Loc, Long Khanh Province, during the week, but was cut between Da Nang and Hue. It is also open from Dalat to Nha Trang via Thap Cham.

2. VC Activity by Corps area: Four Viet Cong attacks and one ambush occurred in I CTZ during the reporting period. The most significant attack occurred on 5 August when an estimated two Viet Cong companies attacked from three directions and overran two RF companies guarding the Esso fuel storage area and a nearby bridge ten kilometers northwest of Da Nang. Using mortar fire and satchel charges, the Viet Cong destroyed two of the five fuel-storage tanks. Loss of JP-4 fuel was estimated at 4,200,000 liters. A two-company reaction force, supported by US III MAF artillery and naval gun fire, regained control of the area without making contact with the Viet Cong. Friendly losses were 10 KIA, 21 WIA, two MIA, and 11 weapons lost.

The Viet Cong avoided direct contact with regular ARVN units during the week in II CTZ. Reported activity was directed mainly at closing Route 19 and harassing GVN population centers and outposts. Three bridges were mined along Route 19 in Binh Dinh Province, but by the end of the week the construction of fords enabled through traffic to use the road. At the end of the reporting period, however, interdiction of this route had occurred at numerous locations between the coast and Pleiku city, which again interrupted all traffic. The Special Forces camp on Route 19 to the west of Pleiku city has since come under nightly harassment attack by small-arms and 60-, and 81-mm. mortar fire.

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There were several large and well coordinated Viet Cong-initiated actions within III CTZ during the week. The first of these actions occurred on 1 August in Long An Province in and around the provincial capital of Tan An where 13 separate GVN centers, including the provincial headquarters and the headquarters of the 50th Regiment, were harassed by mortar and small-arms attacks.

The provincial capital and Tan My base in Hau Nghia Province also received mortar fire on 1 August, and on 4 August, Chu Chi district town, Hau Nghia Province, and the nearby Trung Lap training center received 81-mm. mortar fire. Isolated instances of bombing and mining in the hamlets, and of road sabotage on secondary roads in the area, were reported. Sighting reports of scattered battalion-size units in northwest Phuoc Long Province persisted during the week. Based on these reports, it is estimated that the Viet Cong are in regimental strength in the area.

A third large-scale action was an ambush of a Regional Force company on a road-clearing operation on Highway 22 north of Go Dau Ha, Tay Ninh Province. Friendly losses were 11 KIA and three WIA.

In lesser but significant activity, the Viet Cong continued to harass US and ROK positions in the Bien Hoa area, while Route 15 in southern Bien Hoa Province was closed to through traffic by the destruction of a bridge, and a coastal passenger ship received small-arms fire while traversing the main Saigon shipping channel in the Rung Sat area.

In the IV CTZ, the intensity of Viet Cong-initiated activity increased for the third consecutive week, although contact with regular ARVN units was generally avoided. Of the nine attacks occurring during the reporting period, all but one were launched against isolated outposts, watchtowers, and GVN posts that were lightly defended by RF/PF forces in less than company strength. The one exception was an attack on Thoi Binh district town, An Xuyen Province, defended by the 1st Bn, 32nd Regiment of the 21st Division, which resulted in 15 ARVN KIA, 10 WIA, and five MIA. All of these attacks were characterized by short, violent execution of the assault and withdrawal before reaction

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forces could be dispatched. In all cases the attacks were supported by 60- and 81-mm. mortar fire placed on likely locations from which reinforcements could be sent.

The Viet Cong effort to interdict the lines of communication between Saigon and the delta continued at the same high rate of the past two weeks.

3. ARVN casualties for the week total 941: 264 KIA, 575 WIA, and 102 MIA/CPTR. This is an increase from the 818 casualties reported last week. A total of 278 weapons was reported lost, an increase in comparison to the 253 reported last week. The Viet Cong suffered 584 known casualties, of which 526 were KIA and 58 captured. This is a decrease from the 857 of last week, which included 760 KIA and 97 captured. Government forces captured 184 individual and two crew-served weapons. The total last week was 187 individual and four crew-served weapons.

4. The audited strengths of RVNAF as of 15 July and changes from audited strengths of 30 June are: Regular Force - 267,836 (up 5,740); Regional Force - 109,805 (up 2,153); Popular Force - 146,639 (down 2,390); total RVNAF - 524,280 (up 5,503). The continued decline in PF strength is attributed to inadequate recruiting results, primarily in the contested provinces of I, II, and III CTZ, and the recent Joint General Staff restriction against recruiting men aged 17-30 for the Popular Force. This action was initiated to provide priority in manpower procurement for the Regular and Regional Forces, but the directive proved overly restrictive to the Popular Force. Action is under way now to revise Popular Force recruiting policy to liberalize the recruiting of veterans, personnel not physically qualified for the Regular and Regional Forces, and religious/ethnic minorities.

From 1 January through 3 August, 1,231 Vietnamese of Chinese descent (259 volunteers and 972 enforced conscripts) were inducted into the RVNAF. Further measures planned by the GVN to increased accessions from this group include coordinated enforcement operations, motivational meetings with Chinese community leaders, and continued psychological warfare programs that stress service as an obligation of citizenship.

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C. RURAL RECONSTRUCTION

1. The Ky government by a series of decrees has abolished the entities formerly concerned with the Rural Reconstruction effort, namely, the Directorate General for Rural Reconstruction (DGRR) and the Central Rural Reconstruction Council. In the place of these defunct organs, the government has created a Ministry of Rural Construction (MRC) and a Central Rural Construction Council (CRCC). Under the new decrees establishing the organization and duties of the new bodies, the MRC, will absorb the functions and personnel of the old DGRR, as well as expand its operations into other areas. For example, it will take over the Directorate of Farmer's Associations from the Ministry of Agriculture. The CRCC will be chaired by the Prime Minister, with General Co, minister of war and minister of defense, as vice chairman; Nguyen Tat Ung, minister of rural construction, will function as the secretary general. Although the US Embassy feels that the new organizations have been created largely for political reasons, it is also hopeful that the changes may promote a greater degree of interministerial cooperation and coordination.

2. The Embassy reports that regional budget teams have nearly completed their first quarterly review of provincial Rural Reconstruction budgets. Although there have been problems with this program, largely because of its newness, the Embassy feels that a budget for counterinsurgency projects controlled by the province is a sound concept and holds forth promise of significant improvement in provincial operations, generally.

3. A refugee task force recently has been formed by the US Mission and will address itself to handling problems connected with the refugee relief program. The task force will be composed of members of USOM (provincial programs, logistics, education, public health, public works, agriculture, and public safety), JUSPAO, and MACV. A recent conversation between the USOM assistant director for provincial operations and the GVN minister of social welfare about the refugee situation disclosed some of the problems that will face the new

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task force. Among these problems are lack of medical supplies and medical workers for the refugees, a revision of the identity card system for the control of refugees, the need for wells and rice storage facilities in the refugee camps, and determination of appropriate limitations on refugee subsistence allowances.

4. A recent report from USOM makes clear that there is no quick and easy solution to the power shortage in Saigon. In four to five months, however, an additional generating capacity of 55 megawatts is expected to be introduced into the Saigon area. This buildup will be provided largely by the Thu Duc power plant, expected to produce 33 megawatts of electricity, and scheduled for completion by 1 November. In the interim, several auxiliary diesel and gas-turbine generating units have either arrived or are expected to arrive shortly. New security measures around electric generating installations have been taken, including 24-hour guards and more lighting and fencing.

5. During the period 31 July-7 August, government Chieu Hoi officials reported that 822 persons returned to their control, a sharp rise over the total of 358 reported last week. Included in this week's total were 259 military (163 of whom were from a dissident band of ethnic Khmer minority elements operating mainly in the delta region near the Cambodian border), 33 political cadre, a few draft dodgers and deserters, and 528 civilians. Last week there were 264 military defectors to the GVN, 61 political cadres, 13 draft dodgers or deserters, and two civilians.

6. According to MACV, the GVN appears to be stepping up its psychological warfare programs, with special emphasis on the Chieu Hoi program. A particularly effective psychological warfare operation was mounted in the I Corps area, employing airborne loudspeaker broadcasts by a former Viet Cong political sergeant who had been regrouped to the North in 1954, returned to South Vietnam, and subsequently rallied to the government. His broadcasts concentrated on exposing lies told by the

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Viet Cong about living conditions in the North and propaganda about the Viet Cong only fighting the Americans. Some 68 ralliers to the government cited the broadcasts as directly influencing their decision to defect.

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II. THIRD COUNTRY DEVELOPMENTS

A. PREMIER KY'S VISIT TO TAIWAN AND THAILAND

Premier Ky told Ambassador Johnson that the purpose of his trip to Taiwan and Bangkok, scheduled to begin on August 16, is to thank the GRC and Thailand for their assistance to Vietnam, and to explore the possibilities of closer coordination and cooperation among the anti-Communist countries in the Far East and some type of regional arrangement between them. Ky denied, however, that he would ask the GRC for military assistance, as suggested by an earlier report. In the meantime, Foreign Minister Tran Van Do told the US Embassy that, though some problems might arise from a mutual-assistance pact of anti-Communist countries in the Far East, he thought it could provide a "screen behind which the United States could work in the Far East area."

Reports from Taipei indicate that military discussions may be the main order of business. The GRC ambassador in Saigon reportedly informed Taipei that the GVN delegation wanted to hold a series of conferences with President Chiang Kai-shek and his military advisors. According to another report, GRC Foreign Ministry officials stated that the emphasis of Ky's visit would definitely be on military matters and that Defense Minister Chiang Ching-kuo wanted to hold private discussions with Ky and GVN Defense Minister Co. Despite these reports, Chiang Ching-kuo informed the US deputy chief of mission in Taipei on August 9 that he did not know what subjects the GVN delegation would discuss, but wished to assure us that the GRC delegation would stay in line with US policy. Foreign Minister Chen had made a similar statement to our embassy a few days earlier.

B. CAMBODIA

Replying to a press conference question concerning the possible presence of the headquarters of the 325th PAVN Division in Cambodia, Premier Ky stated that this PAVN element was actually on the border of Laos, Cambodia, and Vietnam, and had

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been shifting. Ky added that the GVN had been passive long enough, could not tolerate Viet Cong bases in safe areas outside the country, and in the future any neighboring countries that tolerate the existence of Viet Cong bases in their territory must be considered allies of the Viet Cong. Ky stated that the GVN reserves the right to attack Viet Cong bases wherever they exist.

According to a press report, Sihanouk replied to Ky's charges by stating that Cambodia had never tolerated Viet Cong forces on its territory or given them material support. Sihanouk added that he would not hesitate to unleash a world war to take revenge on Cambodia's attackers, and that Communist China and North Vietnam stand ready to send supplies and volunteers to help Cambodia.

C. FREE WORLD ASSISTANCE

1. UNITED KINGDOM

On 4 August the UK presented the GVN with 12 diesel engines for fishing boats. Eleven of the engines are to be installed on fishing boats in selected coastal communities, while the twelfth will be used for demonstration purposes.

2. REPUBLIC OF KOREA

By a vote of 12-2, the National Defense Committee of the National Assembly of 7 August approved the ROK's plan to despatch an army combat division and a marine regimental combat team to South Vietnam. The ROK hopes to push the bill through the National Assembly by 17 August.

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III. DEVELOPEMENTS IN THE BLOC

A. MILITARY DEVELOPMENTS

1. Photography of 8 August disclosed the presence of an eight surface-to-air (SAM) missile site in North Vietnam. The site is about 33 nautical miles (NM) northwest of Hanoi and about 10 nm north of SAM site 7. When first photographed the new site contained six launchers with missiles, a FAN SONG radar, and 11 associated vans that were partially camouflaged. The site was unrevetted.

2. A strike was conducted against this site on 9 August. Although pilots reported that ordnance was delivered on target, post-strike photography disclosed that the missile equipment apparently had been removed. The fact that this site was unrevetted and the equipment quickly removed subsequent to the initial photo mission supports the theory that North Vietnamese SAM equipment is being moved from place to place in order to make an effective strike against an operational site much more difficult.

B. POLITICAL DEVELOPMENTS

1. The announcement by President Johnson at his 28 July press conference of new US troop commitments in South Vietnam prompted a series of formal bloc statements in support of the Communist position in Vietnam.

2. The Vietnamese Communist reacted to the 28 July statement by raising the temperature of their threats to bring in volunteers, and by calling more openly for greater bloc material assistance in the war effort. A DRV Government statement issued on 2 August called on the "socialist countries to wage a still more resolute, timely and vigorous struggle, in keeping with their sacred duty to a fraternal socialist country." The statement requested that they "extend increased support and assistance in all fields to the just struggle of the Vietnamese people."

3. Further imminent warning of North Vietnamese involvement was reflected in a statement by the high command of the VPA on the occasion of the first

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anniversary of the initial US air strike against North Vietnam (5 August 1964). Although still relatively oblique, this statement contained the strongest hint yet by the DRV military of possible PAVN involvement in South Vietnam. The Vietnamese forces, the statement asserted, "pledge not to spare even our blood" in carrying out the firm resolve to defend North Vietnam, "liberate South Vietnam, and reunify the country."

4. In South Vietnam, the NFLSV issued a communiqué on 3 August also denouncing the Johnson statement and calling on "southern compatriots and combatants regrouped in the North to immediately organize their ranks and be ready to receive orders to return to the South to fight the Americans." The statement also called on the northern people "to support positively the southern people in all fields in order to strengthen the forces and step up the resistance war." A DRV 8 August party daily article responded to the Front's communiqué by stating "we are ready."

5. Although both Hanoi and the Front have raised to a new pitch the threat of foreign intervention in the Vietnamese war, their statements continue to leave the impression that they are still trying to get the maximum possible deterrent value out of their warning on volunteers without actually playing--until absolutely necessary--what they apparently feel is a psychological trump card.

6. In reaction to the Presidents' statement, the Chinese Communist government on 7 August resoundingly endorsed the DRV statement on 2 August and the Liberation Front statement of the following day, but added no new elements of the Chinese position. The Peiping statement renewed pledges of "all-out support" and again reaffirmed a readiness to send Chinese to fight "shoulder to shoulder" with the Vietnamese people "according to their need."

7. Also on 7 August, North Korea issued a formal government statement supporting the Hanoi statement of 2 August. Pyongyang pledged that it would "actively assist" the Vietnamese people and said that in the near future it would step up "material and moral support of every form."

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8. The first authoritative Soviet reaction to President Johnson's 28 July announcement came in a 6 August TASS statement, which denounced the "new acts" of US "aggression" in Vietnam. This was the first public Soviet statement on Vietnam since the beginning of May. It declared Moscow's endorsement of the DRV 2 August statement and reiterated routine Soviet expression of determination to supply the DRV with "all necessary" defensive assistance. The statement concluded by declaring once again that peace could be found in Vietnam only by strict observance of the 1954 Geneva agreements, "on the basis" of Pham Van Dong's four-point proposal.

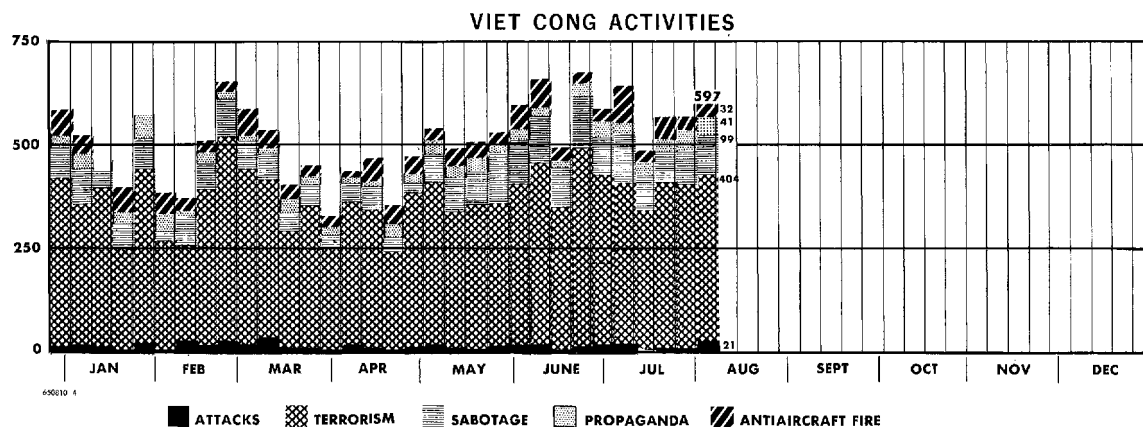
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